

USDA Foreign Agricultural Service

GAIN Report

Global Agricultural Information Network

THIS REPORT CONTAINS ASSESSMENTS OF COMMODITY AND TRADE ISSUES MADE BY
USDA STAFF AND NOT NECESSARILY STATEMENTS OF OFFICIAL U.S. GOVERNMENT
POLICY

Voluntary Public

Date: 3/27/2012

GAIN Report Number: RS1218

Russian Federation

Post: Moscow

Tropical Oils Excluded from Kaliningrad Special Economic Zone

Report Categories:

Oilseeds and Products

Policy and Program Announcements

Approved By:

Morgan Haas

Prepared By:

Staff

Report Highlights:

The GOR expanded the list of agricultural goods excluded from the free trade regime applicable in the Kaliningrad Region to include palm, coconut, palm kernel, and babasu oils and their fractions, animal or vegetable fats and oils and their fractions. The measure came into effect on March 22, 2012.

General Information:

On March 7, 2012, the GOR issued Decree No. 200 “On Amendments to Decree of the Government of the Russian Federation of March 31, 2006, No. 186,” which expanded the list of agricultural goods excluded from the free trade regime applicable in the Kaliningrad Region to include palm, coconut, palm kernel, and babasu oils and their fractions, animal or vegetable fats and oils and their fractions. The measure came into effect on March 22, 2012.

The Kaliningrad Special Economic Zones (SEZ) was established in 1996 by Federal Law No. 13-FZ of 1996. Following the adoption of a new basic law on SEZs in 2005, Federal Law No. 13-FZ of 1996 was replaced by Federal Law No. 16-FZ of 2006, “On the Special Economic Zone of the Kaliningrad Region and on Amending some Legislative Acts of the Russian Federation.”

Under Federal Law No. 16-FZ of 2006, the Kaliningrad SEZ was created until April 1, 2031, to operate according to the following rules:

- foreign goods are imported to and used in the territory of the SEZ without payment of the customs duties and taxes and they are not subject to bans and other restrictions of an economic character (e.g., trade remedies);
- goods imported by the residents of the Kaliningrad SEZ and then released for free circulation into the rest of the customs territory of the Russian Federation are subject to import duties, VAT, and excise taxes, and, if these goods were subject to bans and other restrictions of an economic character, these bans and restrictions will apply;
- excisable goods are not eligible for the benefits of the Kaliningrad SEZ;
- in addition, the GOR has the right to define other goods that cannot enjoy the free trade regime applicable in the Kaliningrad region. The current list of such goods is defined by the GOR Decree No. 186 of March 31, 2006 (as amended), with agricultural goods accounting for about 80% of the list.

At the same time, Federal Law No. 16-FZ of 2006 provided a ten-year transition period, from the date of its entry into force on 1 April 2006, to all legal entities and individual entrepreneurs registered in the Kaliningrad region, which had been established and active under the previous Federal Law No. 13-FZ of 1996. During the transition period, these entities continue to enjoy the following exemption that was envisaged by Federal Law No. 13-FZ of 1996:

- exemption from customs duties and taxes for goods imported under the free customs zone regime and then released for free circulation into the rest of the Russian Federation if such goods meet sufficient processing criteria (e.g. processing of goods resulted in a change of the HS code at a level of any of the first four digits, or value added of the processing operations accounted for not less than 30 percent of the cost of the goods.)

After expiration of the above-mentioned ten-year transition period in 2016, the provisions of Federal Law No. 16-FZ of 2006, governing the free customs zone regime in the Kaliningrad SEZ, would apply without these reservations.

An unofficial translation of Decree No. 200 of March 7, 2012, and the current list of all agricultural goods excluded from the free trade regime applicable in the Kaliningrad Region follows.

Decree No. 200 of March 7, 2012
On Amendments to the Decree of the Government of the Russian Federation No. 186
of March 31, 2006

The Government of the Russian Federation decrees the following:

To approve the attached amendments to the Decree of the Government of the Russian Federation No. 186 of March 31, 2006, “On the List of Goods Prohibited for Placement under Customs Regime of a Free Customs Zone, Applicable in the Kaliningrad Region” (Corpus of legislative acts of the Russian Federation, 2006, No. 15, article 1618; No. 50, article 5341; 2009, No. 35, article 4251; 2010, No. 12, article 1339; No. 52, article 7080; 2012, No. 7, article 877).

Chairman of the Government
of the Russian Federation
V. Putin

Approved
by Decree of the Government
of the Russian Federation
No. 200 of March 7, 2012

Amendments
that are introduced to Decree of the Government
of the Russian Federation No. 186 of March 31, 2006

1. In the name and paragraph 1 the words “customs regime of a free customs zone, applicable” shall be replaced with the words “the customs procedure of a free customs zone, applicable”.
2. The list of goods prohibited for placement under customs regime of a free customs zone, applicable in the Kaliningrad Region, approved by the stated decree:
 - a) in the name the words “customs regime of a free customs zone, applicable” shall be replaced with the words “the customs procedure of a free customs zone, applicable”;
 - b) after the subheading:
“

-- Rice	1103 20 500 0
---------	---------------

”

add headings as follows:
“

Palm oil and its fractions, whether or not refined but not chemically modified:	1511
Coconut oil (copra), palm kernel or babassu oil and their fractions, whether or not refined but not chemically modified:	1513
Animal or vegetable fats and oils and their fractions, partly or wholly hydrogenated, inter-esterified, re-esterified or elaidinised, whether or not refined, but not further prepared:	1516

”,

- c) in the heading on margarine; edible mixtures or preparations of animal or vegetable fats or oils or of fractions of different fats or oils of this chapter, other than edible fats or oils or their fractions of heading 1516:

in the column “CU HS Code” the code “1517” shall be added;
subheading
“

-- Margarine, excluding liquid margarine	1517 10
--	---------

”

shall be deleted;

g) in the footnote, the words “customs regime” shall be replaced with the words “customs procedure”

Approved
by Decree of the Government
of the Russian Federation
No. 186 of March 31, 2006

<p>LIST of agricultural goods prohibited for placement under the customs regime of a free customs zone, applicable in the Kaliningrad Region (as amended through March 22, 2012)</p>	
Name of position *	HS code
Live bovine animals, except for:	0102
- pure-bred breeding animals	0102 10
--- not exceeding 80 kg	0102 90 050 0
Live swine, except for:	0103
- pure-bred breeding animals	0103 10 000 0
-- weighing less than 50 kg	0103 91
Live poultry, that is to say, domestic hens (<i>Gallus domesticus</i>), ducks, geese, turkeys and guinea fowl except for:	0105
-- domestic hens (<i>Gallus domesticus</i>)	0105 11
-- turkey	0105 12 000 0
-- other	0105 19
Meat of bovine animals, fresh or chilled, except for:	0201
- boneless	0201 30 000
Meat of bovine animals, frozen, except for:	0202
- boneless	0202 30
Pork, fresh, chilled or frozen, except for:	0203

----- boneless	0203 29 550
Meat and edible offal of poultry of heading 0105, fresh, chilled or frozen:	
- domestic hens (<i>Gallus domesticus</i>):	
-- not cut in pieces, fresh or chilled	0207 11
-- not cut in pieces, frozen	0207 12
-- cuts and offal, fresh or chilled	0207 13
-- cuts and offal, frozen:	
----- halves or quarters	0207 14 200
----- legs and cuts thereof	0207 14 600
---- livers	0207 14 910
---- other	0207 14 990
Milk and cream, not concentrated nor containing added sugar or other sweetening matter, except for:	0401
--- other	0401 30 990 0
Buttermilk, curdled milk and cream, yogurt, kefir and 0403 other fermented or acidified milk and cream, whether or not concentrated or containing added sugar or other sweetening matter or flavored or containing added fruit, nuts or cocoa, --- other	0401 30 990 0
except for:	
- yogurt	0403 10
Butter and other fats and oils derived from milk, dairy spreads:	
- butter	0405 10
Cheese and curd, except for:	0406
- Processed cheese, not grated or powdered	0406 30
- blue cheese	0406 40
- other cheeses	0406 90
Birds' eggs, in shell, fresh, preserved or cooked:	
-- other	0407 00 300 0
Potatoes, fresh or chilled:	
- other	0701 90
Onions, shallots, garlic, leeks and other alliaceous vegetables, fresh or chilled:	
--- other	0703 10 190 0
- garlic	0703 20 000 0
Cabbages, cauliflowers, kohlrabi, colewort and similar edible brassicas, fresh or chilled:	
--- cabbage	0704 90 100 1
Carrots, turnips, salad beetroot, salsify, celeriac, radishes and similar edible roots, fresh	

or chilled:	
-- carrots	0706 10 000 1
--- beetroot	0706 90 900 1
Cucumbers and gherkins, fresh or chilled:	
-- from 16 May to 30 September	0707 00 050 4
Other vegetables, fresh or chilled:	
-- mushrooms of the genus <i>Agaricus</i>	0709 51 000 0
-- other	0709 90 900 0
Wheat and meslin,	
except for:	1001
--- wheat and meslin seed	1001 90 910 0
Rye, other than seed	from
	1002 00 000 0
Barley:	
- other	1003 00 900 0
Oats, except seed	from
	1004 00 000 0
Wheat or meslin flour	1101 00
Flour from grains other cereals except wheat or meslin:	
- rye flour	1102 10 000 0
Cereal groats, meal and pellets:	
-- of wheat	1103 11
-- of other cereals,	1103 19
except for:	
--- of oats	1103 19 400 0
--- of rice	1103 19 500 0
---- of sorghum	1103 19 900 1
- pellets,	1103 20
except for:	
-- of oats	1103 20 300 0
-- of corn	1103 20 400 0
-- of rice	1103 20 500 0
Palm oil and its fractions, whether or not refined but not chemically modified:	1511
Coconut oil (copra), palm kernel or babassu oil and their fractions, whether or not refined but not chemically modified:	1513
Animal or vegetable fats and oils and their fractions, partly or wholly hydrogenated, inter-esterified, re-esterified or elaidinised, whether or not refined, but not further prepared:	1516
Margarine, edible mixtures or preparations of animal or vegetable fats or oils or of fractions of different fats or oils of this chapter, other than edible fats or oils or their fractions of heading 1516	1517

Sausages and similar products of meat, meat offal or blood; food preparations based thereon	1601 00
Prepared or preserved meat, meat offal or blood other:	
-- of domestic hens (<i>Gallus domesticus</i>)	1602 32
-- other	1602 39
-- hams and cuts thereof	1602 41
-- shoulders and cuts thereof	1602 42
-- other, including mixtures	1602 49
- meat of bovine animals	1602 50
Prepared or preserved fish; caviar and caviar substitutes prepared from fish eggs:	
---- other	1604 13 190 0
--- other	1604 13 900 0
----- other	1604 14 180 0
---- other	1604 15 190 0
----- other	1604 19 989 0
Sugar confectionery (including white chocolate), not containing cocoa:	
---- Toffees, caramels and similar sweets	1704 90 750 0
Pasta, whether or not cooked, stuffed (with meat or other substances) or otherwise prepared, such as spaghetti, macaroni, noodles, lasagne, gnocchi, ravioli, cannelloni, couscous, whether or not prepared:	
-- other	1902 19
Bread, pastry, cakes, biscuits and other bakers' wares, whether or not containing cocoa, communion wafers, empty cachets of a kind suitable for pharmaceutical use, sealing wafers, rice paper and similar products:	
--- Bread, not containing added honey, eggs, cheese or fruit, and containing by weight in the dry matter less than 5% of sugars and not more than 5% of fat	1905 90 300 0
Food preparations not elsewhere specified or included:	
---- other	2106 90 980 9
Waters, including natural or artificial mineral waters and aerated waters, not containing added sugar or other sweetening matter nor flavored, ice and snow:	
--- non-aerated	2201 10 110 0
--- other	2201 10 190 0

* To determine the goods included in this list, Russian HS code of goods shall be used, the name of the goods is given only for convenience. This note does not apply to cases, for which it is established that

the prohibition for placement under the customs procedure of a free customs zone does not apply to all goods classified in the specified code, and that one should also be guided by the name of the goods.

End unofficial translation